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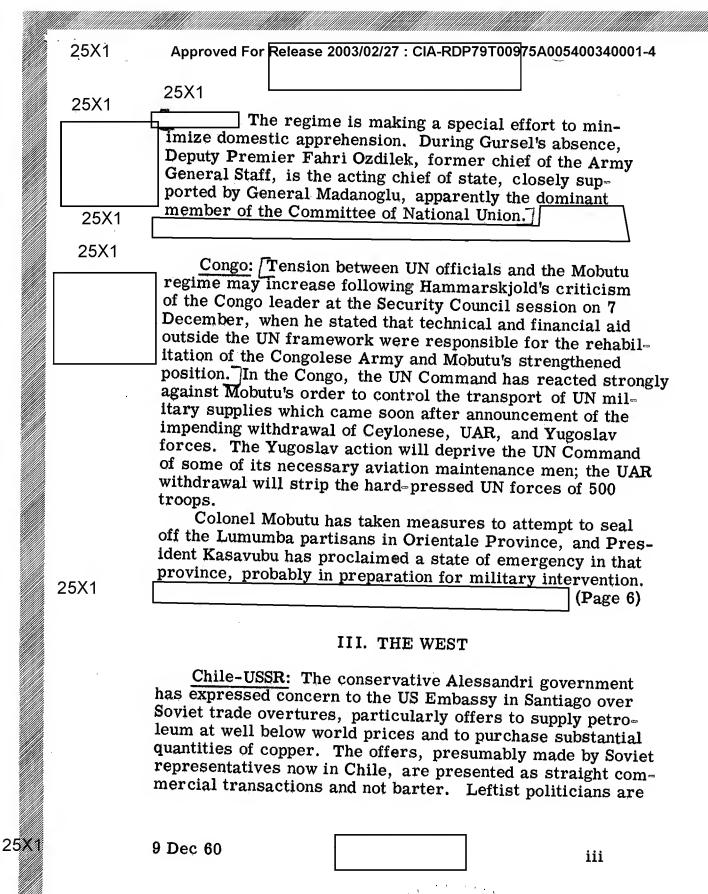
DAILY BRIEF

I. THE COMMUNIST BLOC

USSR: The first private comments by top Soviet leaders on the Moscow declaration of Communist parties point up the dilemma Moscow faces in seeking to preserve at least the facade of bloc unity by making concessions to Chinese Communist demands without jeopardizing the Soviet goal of arranging new top-level negotiations with the West. Mikoyan told Ambassador Thompson on 6 December that the declaration's virulent attack on the US had been a concession to the Chinese but emphasized this does not change the USSR's desire to improve relations with the US. In addition, presidium member Kosygin took refuge in the familiar pretense that this was a Communist party statement not binding on the Soviet Government and indicated that it would not affect Soviet policy toward the West. Kosygin also reaffirmed Moscow's desire to reach agreements and to establish good relations with the US. Ambassador Thompson reports that other Soviet officials have given the appearance of being both embarrassed and concerned by the anti-American tone of the declaration.

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probably fully aware of the Soviet trade offers and can be expected to press for increasing Chilean-Soviet trade, now less than one percent of the value of Chile's total trade. Chile has no diplomatic relations with the bloc.

IV. SIGNIFICANT INTELLIGENCE

(Available during the preceding two weeks)

REPORTS AND ESTIMATES

Communist China: Current situation in industry and agriculture; stability and morale of the party; social conditions; military strength and potential nuclear capabilities; foreign relations with USSR, Africa, Asia, and attitude toward the US. Tables. NIE 13-60. 1 December 1960

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Outlook for Greece: Political prospects of Karamanlis government; strength of Communist-controlled United Democratic Left; economic situation; foreign relations, particularly with US; and status of armed forces. NIE 32-60. 1 Dec 1960

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Main trends in Soviet capabilities and policies, 1960-1965. NIE 11-4-60. 1 Dec 1960. 0026555.

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Situation and short-term outlook in Laos: Strength, weaknesses, and intentions of the Souvanna government, Phoumi and the Revolutionary Committee, the King, Kong Le, and the Pathet Lao; repercussions in Southeast Asia. SNIE 68-60. 6 Dec 1960.

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LATE ITEM

*Laos: Captain Kong Le with elements of his Second Paratroop Battalion and some armed support, has apparently regained control of Vientiane itself. Kong Le is reported to have arrested Col. Kouprasith, whose early morning coup on 8 December set in motion the struggle for control of the capital. Kouprasith's forces remain in control of Camp Chinaimo, a few miles south of Vientiane; they apparently have been joined by a company of paratroopers loyal to Phoumi which was dropped on 8 December some hours after the Kouprasith coup. Phoumi is said to be moving additional troops by air and overland to reinforce the elements at Chinaimo. When these reinforcements arrive, a showdown struggle between the opposing forces is probable, with Pathet Lao forces possibly interceding on Kong Le's behalf.

Some twenty National Assembly deputies left Vientiane and went to Camp Chinaimo just before the Kouprasith coup, and are thus available for an assembly vote of no confidence against Premier Souvanna Phouma. There is a possibility, however, that Souvanna may seek to counteract any such plan with a new diversionary initiative of his own, such as a UN appeal based on changes of "foreign interference."

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Soviet Leaders Comment on Moscow Declaration

The first private comments by top Soviet leaders on the Moscow declaration of Communist parties point up the problem Moscow faces in seeking to preserve at least the facade of bloc unity by making concessions to Chinese Communist demands without jeopardizing the Soviet goal of arranging new top-level negotiations with the West. First Deputy Premier Mikoyan told Ambassador Thompson on 6 December that the declaration's virulent attack on the US had been a concession to the Chinese but emphasized that this would not change the USSR's desire to improve relations with the US. He observed to the Swiss ambassador that the USSR had a "tough negotiating parter ner."

The concern of Soviet leaders not to allow the militant line of the declaration to nullify recent gestures toward the US was also evident in First Deputy Premier Kosygin's resort to the familiar pretense that this was a Communist party statement not binding on the Soviet Government and that it would not affect Soviet policy toward the West. He stated that Moscow was not only prepared but anxious to reach agreements and establish good relations with the US.

As the formal meetings were ending and the documents already completed, Khrushchev made a point of reassuring Ambassador Thompson of his desire to improve relations with the US and quietly explore the question of Germany and Berlin. At the same time, the Soviet UN delegation embarked on a series of maneuvers to clear the way for establishing top-level contacts with the new US administration at a special session of the General Assembly on disarmament next spring. In addition, Moscow and most of the satellites went to some lengths to indicate, by propaganda comments and friendly gestures, that the declaration's harsh attack on Yugo-slav revisionism did not signify a shift in the Soviet policy?

Approved For Release 2003/02/27: CIA-RDP79T00975A005400\$40001-4 Tof maintaining correct governmental relations with Belgrade, despite the ideological dispute. the main result of the meeting for Soviet policy appears to be a compromise which grants Khrushchev a period of grace and a relatively free hand to demonstrate the effectiveness of his policy in another round of negotiations. East German party officials were informed that the Moscow conference did not result in any change in Khrushchev's intention to resolve the Berlin question through an early summit meeting. Khrushchev reportedly prevailed in the argument with the Chinese over the advisability of summit diplomacy. Although the declaration's formulations for the most part are Soviet in tone and reaffirm Soviet primacy in the bloc, the concessions to Chinese viewpoints could reduce Khrushchev's over-all freedom of action. The general tone of attacks on the West, the US in particular, and the advocacy of more aggressive tactics in the underdeveloped areas appear to commit the USSR to maintain its recent assertive stand on such issues as Cuba, the Congo, Algeria, and "anticolonialism" in general. In particular, the Chinese appear to have been successful in extracting a more extensive commitment for further bloc consultations and in precluding a return to the atmosphere which Khrushchev sought to create following his visit to the US in 1959, typified by 'Camp David spirit" pronouncements.

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Approved For Release 2003/02/27: CIA-RDP79T00975A005400340001-4 25X1 Interim President of Turkey Critically Ill General Gursel's absence from the government for an extended period could have an unsettling effect in Turkey and delay restoration of a civilian regime unless active leadership is passed to another member of the Committee of National Union (CNU). 25X1 Gursel, who has successfully projected a "father image" to many Turks, had emerged as a prime contender for the presidency of the "second republic"--to be established after the ratification of a new constitution and following national elections which have been promised prior to November 1961. Deputy Premier Fahri Ozdilek, former chief of the Army General Staff, apparently is unofficially the acting chief of state, with General Madanoglu, apparently the dominating figure on the Committee of National Union, in close support. Ozdilek was commanding general of the First Army and martial law commander in Istanbul at the time of the 27 May coup. He is credited with having prevented major disturbances and loss of life in Istanbul during the uneasy pre-coup period. Ozdilek reportedly knew of the intended coup but was not a participant, although he is credited with expeditiously delivering Turkey's largest city to the insurgents. In early June he was named minister of defense and on 22 October became deputy premier and minister of state. His age and army experience probably make him Gursel's closest associate in the CNU. Official news releases regarding Gursel's illness have been designed primarily to minimize popular apprehension regarding his health. Plans for the early convocation of a representative constituent assembly will be postponed pending Gursel's full recovery or abdication. 25X1 25X6

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Chilean Concern Over Soviet Trade Overtures

The conservative Chilean Government has told the US Embassy in Santiago of recent Soviet trade overtures, presumably made by two Soviet representatives now in Chile, to supply petroleum well below world prices and purchase substantial quantities of copper ingots and semi-finished copper products. The offer is presented as a straight commercial transaction, not barter.

Chilean leftist politicians are believed to be fully aware of the Soviet offers and are expected to publicize them soon in an effort to press for increasing Chilean-Soviet trade, now less than one percent of Chile's total trade. There are already growing leftist demands to establish commercial and diplomatic relations with the bloc.

Oil, a state monopoly, is a relatively new industry in Chile, and the country's two refineries produce about 60 percent of its needs. Venezuela has been Chile's only source of crude oil.

The Chilean Government is not in principle opposed to trade with the bloc, and it has been liberal in granting visas to bloc cultural and trade representatives. Previous Sino-Soviet bloc offers to purchase substantial quantities of copper have not been accepted, however, largely because about 90 percent of Chile's copper production comes from US-owned mining companies and because of the bloc's preference for barter arrangements.

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The Situation in Laos

Captain Kong Le, with elements from the Second Paratroop Battalion and some armored support, apparently regained control of the town of Vientiane in the evening of 8 December. Some hours after Col. Kouprasith's early morning coup, Kong Le Ifled Vientiane in the company of a ranking Pathet Lao military leader, which may suggest that Pathet Lao elements were in his force when he retook the town placed Kouprasith that evening. Kong Le under arrest; however, the units which supported Kouprasith in his coup apparently remain at Camp Chinaimo, a Lao army base a few miles south of Vientiane.

A company of paratroopers taken from the pro-Phoumi Luang Prabang garrison was dropped near Chinaimo in midafternoon on 8 December; they have presumably joined forces with the units at Chinaimo. With Kouprasith's arrest, leadership of these units may have passed to officers more reliably loval to General Phoumi and his Savannakhet group. Phoumi reportedly plans to drop another company of paratroopers and to bring a battalion of infantry overland from Pak Sane, which was captured on 18 December by Phoumi elements advancing from Pak Ca Dinh. When these units arrive, a showdown struggle between the opposing forces is probable, with the Pathet Lao possibly interceding on Kong Le's behalf.

Just prior to the Kouprasith coup, some twenty deputies from the National Assembly gathered at Camp Chinaimo, from where it would be an easy matter for them to slip across the river into Thailand. Combined with an approximately equal number already out of Vientiane, more than enough deputies necessary for an assembly quorm would now appear to be available for a session either in Luang Prabang or Savannakhet for the purpose of registering a no-confidence vote against Souvanna Phouma.

Throughout the confusion of 8 December, Souvanna showed no sign of being ready to resign, and with characteristic adeptness chose to consider both the Kouprasith coup and the

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Kong Le countercoup as affirmations of support for his government. He almost certainly is concerned over the fact that the presence of the deputies at Chinaimo poses a threat of an imminent assembly no-confidence vote against him, however, and this could lead him to attempt some new initiative in return. Soviet Ambassador Abramov is reported to have intimated to the French counselor on 7 December that "someone" would be making an appeal in the near future to the UN Security Council.

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